# WATER-POWER DEVELOPMENT BILL

## COMPARATIVE PRINT

SHOWING

## H. R. 408

AN ACT TO PROVIDE FOR THE DEVELOPMENT OF WATER POWER AND THE USE OF PUBLIC LANDS IN RELATION THERETO,
AND FOR OTHER PURPOSES

AS PASSED BY THE HOUSE AND AS REPORTED BY THE SENATE COMMITTEE ON PUBLIC LANDS

TOGETHER WITH

## S. 3331

A BILL TO AMEND AN ACT ENTITLED "AN ACT TO REGULATE THE CONSTRUCTION OF DAMS ACROSS NAVIGABLE WATERS," APPROVED JUNE 21, 1906, AS AMENDED BY THE ACT APPROVED JUNE 23, 1910, AND TO PROVIDE FOR THE IMPROVEMENT AND DEVELOPMENT OF WATERWAYS FOR THE USES OF INTERSTATE AND FOREIGN COMMERCE

AS REPORTED BY THE SENATE COMMITTEE ON COMMERCE

### SUBMITTED BY MR. NORRIS.

In the Senate of the United States, February —, 1916.

Ordered, That there be printed as a Senate document, in parallel columns, a comparative print of the bill H. R. 408, showing the bill as passed by the House, the bill as reported to the Senate, together with the bill (S. 3331) to amend an act entitled "An act to regulate the construction of dams across navigable waters," approved June 21, 1906, as amended by the act approved June 23, 1910, and to provide for the improvement and development of waterways for the uses of interstate and foreign commerce, as reported to the Senate. Attest:

JAMES M. BAKER, Secretary.

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### WATER-POWER DEVELOPMENT BILL.

H. R. 408 AS PASSED HOUSE.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Interior be, and hereby is, authorized and empowered, under general regulations to be fixed by him, and under such terms and conditions as he may prescribe, not inconsistent with the terms of this Act, to lease to citizens of the United States, or to any association of such persons, or to any corporation organized under the laws of the United States, or of any State or Territory thereof, or to any State, county, municipality, or irrigation district any part of the public lands of the United States (including Alaska), reserved or unreserved, including lands in national forests, the Grand Canyon and Mount Olympus National Monuments, and other reservations, not including national parks or military reservations, for a period not longer than fifty years, for the purpose of constructing, maintaining, and operating dams, water conduits, reservoirs, power houses, transmission lines, and other works necessary or convenient to the development, generation, transmission, and utilization of hydroelectric power, which leases shall be irrevocable except as herein provided, but which may be declared null and void upon breach of any of their terms: Provided, That such leases shall be given within or through any of said national forests or other reservations only upon a finding by the Secretary of the department under whose supervision such forest, national monument, or reservation falls that the lease will not destroy, materially injure, or be inconsistent with the purpose for which such forest, national monument, or reservation was created or acquired: Provided further, That in the granting of leases under this Act the Secretary of the Interior may, in his discretion, give preference to applications for leases for the development of electrical power by States, counties, or municipalities, for municipal uses and

H. R. 408 AS REPORTED TO SENATE.

Be it enacted by the Senate and House of Representatives of the United States of America in Con-gress assembled, That the Secretary of the Interior be, and hereby is, authorized and directed, under general regulations to be fixed by him, not inconsistent with the terms of this Act, to lease to citizens of the United States, or to any association of such persons, or to any corporation organized under the laws of the United States, or any State or Territory thereof, any part of the public lands of the United States (including Alaska), reserved or unreserved, including lands in national forests, the Grand Canyon, and Mount Olympus national monuments, and other reservations, not including national parks or military reservations, for a period of fifty years unless the applicant and the Secretary of the Interior agree on a shorter period as the applicant for lease may elect, for the purpose of constructing, maintaining, and operating dams, water conduits, reservoirs, power houses, transmission lines, and other works necessary or convenient to the development, generation, transmission, and utilization of hydroelectric power, which leases shall be irrevocable except as herein provided, but which may be declared null and void upon breach of any of their terms: Provided,

S. 3331 AS REPORTED TO SENATE.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Act entitled "An Act to regulate the construction of dams across navigable waters," approved June twenty-third, nineteen hundred and ten, be, and the same is hereby, amended to

read as follows:

"Section 1. That the United States hereby authorizes any of the persons as hereinafter defined, after obtaining the permit of the Secretary of War as hereinafter provided, to construct, maintain, and operate a dam or dams or diversion structures and accessory works for the development and improvement of navigation and for water power or other purposes across, in, or along any of the navigable waters of the United States; and such grantee and such permit shall at all times be subject to the provisions of this Act and also subject to such conditions as the Secretary of War shall, in accordance with the provisions of this Act, make a part of such permit; that the word 'persons,' as used in this Act, shall be construed to mean both the singular and plural as the case demands, and shall be construed to mean political subdivisions of States, municipal corporations, corporations, companies, and associations; and the term 'grantee' herein shall mean any such persons to whom shall be granted a permit as herein provided: Provided, That when the power to be developed by the project and improvement of the stream for navigation is used or to be used for a public utility purpose or purposes the grantee must be a municipal corporation, or a political subdivision, or other agencies of a State, or a public-service agent of a State, or a public-utility corporation created and organized under the laws of a State or the United States, authorized to engage in the business of furnishing water, heat, or electric energy for public or private use, and whose rates and charges and service shall be subject to regu-

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purposes: And provided further, That for the purpose of enabling applicants for a lease to secure the data required in connection therewith, the Secretary of the Interior may, under general regulations to be issued by him, grant preliminary permits authorizing the occupation of lands susceptible of water-power development, including distribution, for a period not exceeding one year in any case, which time may, however, upon application, be extended by the Secretary of the Interior, for a like period, if the completion of the application for lease has been prevented by unusual weather conditions or by some special or peculiar cause beyond the control of the permittee.

SEC. 2. That each lease made in pursuance of this Act shall provide for the diligent, orderly, and reasonable development and continuous operation of the water power, subject to market conditions, and shall provide that the lessee shall at no time contract for the delivery to any one consumer of electrical energy in excess of fifty per centum of the total output, except upon the written consent of the Secretary of the Interior.

#### H. R. 408 AS REPORTED TO SENATE.

That for the purpose of enabling applicants for a lease to secure the data required in connection therewith, the Secretary of the Interior may, under general regulatoins to be issued by him, grant preliminary permits authorizing the occupation of lands valuable for water-power development for a period not exceeding one year in any case, which time may, however, upon application, be extended by the Secretary of the Interior if the completion of the application for lease has been prevented by unusual weather conditions or by some special or peculiar cause beyond the control of the permittee: Provided, That no lease shall be granted until the applicant has complied with the requirements of the laws of the State, States, or Territory wherein said project is to be located, providing for the appropriation of water to develop or generate the electrical energy intended to be generated by applicant's proposed project.

SEC. 2. The teach lease made in pursuance of this Act shall provide for the diligent, orderly, and reasonable development and continuous operation of the water power, subject to market conditions.

#### S. 3331 AS REPORTED TO SENATE.

lation by the laws of the State or a duly constituted commission or other agency of said State; but in any case where the State has not made provision for authorizing municipal corporations, political subdivisions, or other agencies of the State or public utility corporations or agencies to engage in said business, the qualifications of the grantee prescribed in this proviso shall not apply; and no transfer of any such permit or of the rights thereunder granted, except by trust deed or mortgage issued for the bona fide purpose of financing the business of such grantee, shall be made by any grantee, without the approval of the Secretary of War, to any transferee not having the qualifications herein specific for a grantee hereunder, and any successor or assign of the rights of any such grantee, whether by voluntary transfer, judicial sale, or foreclosure sale or otherwise, shall be subject to all the conditions of the permit under which such rights are held by such grantee and also subject to all the provisions and conditions of this Act to the same extent as though such successor or assign were the grantee hereunder.

"Sec. 2. That the Secretary of War may grant a permit or permits for such dam or dams and accessory works upon the following condi-

"First. The plans and specifications for such dam and all accessory works, together with such drawings of the proposed construction and such maps of the proposed location as may be required for a full understanding of the subject, shall be submitted to the Secretary of War and the Chief of Engineers, and when approved shall be made a part of such permit; and thereafter no change in such plans or specifications shall be made except as such change shall be approved and made a part of such permit by the Secretary of War and the Chief of Engineers

"Second. The project adopted, including the plans, specifications, and location for any dam and accessory work, shall be such as in the judgment of the Secretary of War shall be best adapted to a comprehensive plan for the improvement of the waterway in question for the uses of navigation and for the full development of its water power and for other beneficial public purposes,

H. R 408 AS REPORTED TO SENATE.

S. 3331 AS REPORTED TO SENATE.

and best adapted to conserve and utilize the water resources of the region in the interests of navigation, the needs of the Government, and

the public welfare.

"Third. As part of the conditions of such permit the Secretary of War may, in so far as he deems the same reasonably necessary to promote the present and future interests of navigation and consistent with a reasonable investment cost to such grantee, include any or all of the following provisions or requirements: (a) That such grantee shall, to the extent necessary to preserve navigation facilities at least equivalent to those existing prior to the construction of such dam, construct, in whole or in part, without expense to the United States, in connection with any such dam a lock or locks, booms, sluices, or other structures for navigation purposes, in accordance with plans, specifications, and conditions approved by the Secretary of War and made a part of such permit; (b) That such grantee shall furnish free of cost power for the operation of the same; (c) that in case such navigation facilities shall not be made a part of such original construction at the expense of the grantee, then, whenever the United States shall deem such navigation facilities necessary the grantee shall convey to the United States free of cost such of its land and its right of way, and permit such control of pools as may be required for such navigation facilities, and shall furnish free of cost power for the operation of the same; (d) that such grantee shall reimburse the United States for the cost of any investigation necessary for the approval of the plans as herein provided and for such supervision of construction as may be necessary in the interest of the United States; (e) that such grantee shall pay to the United States reasonable charges in consideration of the benefits accruing to and used by such grantee through the construction, opera-tion, and maintenance by the United States of headwater improvements, including storage reservoirs, on any such waterway, such charges to be fixed from time to time by the Secretary of War and to be based upon a reasonable compensation proportionate to the benefit actually received by the grantee by reason of any increase of flow past or over the water-power structures artificially caused by such headwater improve-

H. R. 408 AS REPORTED TO SENATE.

S. 3331 AS REPORTED TO SENATE.

ment, and all moneys received from such charges are hereby reserved and appropriated as a special fund in the Treasury to be known as 'the headwater improvement fund,' from which fund expenditures for headwater improvements and maintenance may be made by and in the discretion of the Secretary of War; (f) that such grantee in the construction, maintenance and operation of such dam or diversion structure and accessory works may, with the authority of the Secretary of War, occupy and use, to the extent necessary for the project, any lands of the United States, including the public lands; and any part of the public lands may, on certification by the Secretary of War that the same is required for navigation purposes, be withdrawn by the President for said purpose as provided in the Act entitled 'An Act to authorize the President of the United States to make withdrawal of public lands in certain cases, approved June twentyfifth, nineteen hundred and ten;' and for any land of the United States so used and occupied the grantee shall pay to the United States such reasonable charges based upon its value as land as may be fixed by the Secretary of War; and in fixing such charges consideration shall be taken of the benefits accruing from the use and occupation of such lands to the interests of navigation, as well as to the business of said grantee.

"In fixing such conditions, or any of them, the Secretary of War shall also take into consideration the probable cost to such grantee of construction and maintenance and operation and the probable consumers' rate required to produce a reasonable return upon the investment required of such grantee. As between contesting applicants for a permit hereunder having the legal qualifications required by this Act, and being equally well qualified to improve or develop waterways for the uses of interstate or foreign commerce, preference shall be given to that applicant which is best qualified to expedite and realize the maximum useful development of all the water resources of the region; and as between such contesting applicants which appear equally well qualified in such respect, then preference shall be given to that applicant which has first complied with the laws of the

H. R. 408 AS REPORTED TO SENATE.

S. 3331 AS REPORTED TO SENATE. State or States in which the dam or

diversion structure is to be constructed. In granting permits here-

SEC. 3. That in case of the development, generation, transmission, and use of power or energy under such a lease in a Territory, or in two or more States, the regulation and control of so much of the service and of charges for service to consumers as constitutes commerce between the States or in such Territory and of the issuance of stock and bonds by the lessee is hereby conferred upon the Secretary of the Interior or committed to such body as may be provided by Federal statute: *Provided*, That the physical combination of plants or lines for the generation, distribution, and use of power or energy under this Act or under leases given hereunder may be permitted, in the discretion of the Secretary of the Interior, but combinations, agreements, arrangements, or understandings, express or implied, to limit the output of electrical energy, to restrain trade with foreign nations or between two or more States or within any one State, or to fix, maintain, or increase prices for electrical energy or service, are hereby forbidden.

Sec. 4. That except upon the written consent of the Secretary of the Interior no sale or delivery of power shall be made to a distributing company, except in case of an emergency, and then only for a period not exceeding thirty days, nor shall any lease issued under this Act be assignable or transferable without such written consent: Provided, however, That no lessee under this Act shall create any lien upon any power project developed under a permit issued under this Act by mortgage or trust deed, except approved by the Secretary of the Interior and for the bona fide purpose of financing the business of the

lessee.

Any successor or assign of such property or project, whether by judicial sale, foreclosure sale, or

Sec. 3. That in case of the development, generation, transmission, or use of power or energy under such a lease in a Territory, or in two or more States, the regulation and control of service and of charges for service to consumers is hereby conferred upon the Interstate Commerce Commission.

under and fixing conditions thereof, and in prescribing rules and regula-tions as to the maintenance and operation of any structure to which this Act is applicable, the Secretary of War, before acting, shall have the report and advice of the Chief of Engineers. SEC. 3. That the control of the

level of the pools above and below such dam and of the currents developed therein and of the flow of the water over and past such dam and the operation of navigation fa-cilities which shall be constructed as a part of or in connection with any such dam, whether at the expense of such grantee or of the United States, shall at all times be subject to such rules and regulations as shall be deemed by the Secretary of War to be reasonable and necessary in the interests of navigation. Such rules and regulations may include the maintenance and operation by such grantee, at its own expense, of such lights and other signals as may be directed by the Secretary of War and such other lights and signals and such fishways as may be prescribed by the Secretary of Commerce, and for failure to comply with any such rule or regulation such grantee shall be deemed guilty of a misdemeanor, and upon conviction thereof shall be punished as provided in section

eight of this Act.

"Sec. 4. That any such permit shall not have the effect to relieve the grantee from liability for any damage occasioned to the property of others by the construction, maintenance, or operation of any dam or of the works appurtenant or accessory thereto, and the United States shall in no event be liable therefor. When a grantee hereunder is a municipal corporation, or a political subdivision of a State, or a public-service agent of a State, or a public utility or service corporation, it may acquire the right to use or damage any lands or property of others necessary to the construction, maintenance, or operation of any such dam or diversion structure or of the works appurtenant or accessory thereto by the exercise of the right of eminent domain in the district court of the United States for the district in which such land or other property may be located, or

SEC. 4. That any successor in interest or assignee of any lease granted under this Act whether by otherwise, shall be subject to all the voluntary transfer, judicial sale, conditions of the lease under which foreclosure sale, or otherwise, shall

such rights are held, and also subject to all the provisions and conditions of this Act to the same extent as though such successor or assign were the original lessee hereunder.

#### H. R. 408 AS REPORTED TO SENATE.

be subject to all the conditions of the approval under which such rights are held, and also subject to all the provisions and conditions of this Act to the same extent as though such successor or assign were the original lessee hereunder.

Sec. 5. That upon not less than three years' notice, which may be issued at any time after five years immediately prior to the expiration of any lease under this act, the United States shall have the right after the expiration of the lease to take over the properties which are dependent, in whole or in part, for their usefulness on the continuance of the lease herein provided for, and which may have been acquired by any lessee acting under the provisions of this act, upon condition that it shall pay, before taking possession, first, the actual costs of rights of way, water rights, lands, and interests therein purchased and used by the lessee in the generation and distribution of electrical energy under the lease, and, second, the reasonable value of all other property taken over, including structures and fixtures acquired, erected, or placed upon the lands and included in the generation or distribution plant, and which are dependent as hereinabove set forth, such reasonable value to be determined by mutual agreement between the Secretary of the Interior and the lessee, and, in case they can not agree, by proceedings instituted for that purpose in the United States district court for the district in which said property or some part thereof is situated: *Provided*, That such reasonable value shall not include or be affected by the value of the fran-

Sec. 5. That upon not less than three years' notice, the United States shall have the right upon the expiration of any lease to take over all the properties which are dependent in whole or in part for their usefulness on the continuance of the lease herein provided for, which may have been acquired by any lessee under the provisions of this Act, or the right to take over, upon mutual agreement with the lessee, a severable and complete unit of any such power system, upon condition that it shall pay in a lawful warrant drawn on the Treasury of the United States, or otherwise, before taking possession the fair value of such property, such value to be determined by mutual agreement be-tween the Secretary of the Interior and the lessee, and, in case they can not agree, by proceedings instituted in the United States district court

for that purpose: Provided, That such fair value shall not include or be affected by the value of any pub-

#### S. 3331 AS REPORTED TO SENATE.

in the State courts. The practice and procedure in any action or proceeding brought for that purpose in the district court of the United States shall conform as nearly as may be with the practice and procedure in similar actions or proceedings in the courts of the State where the property is situated

where the property is situated.

"Sec. 5. That unless revoked for cause as provided in section eight of this Act the rights under any such permit shall continue for a period of fifty years from and after the date of the completing and putting into commercial operation of the initial installation required by the Secretary of War, as provided in section nine of this Act, and after the expiration of said fifty years such rights shall continue until revoked for cause as provided in section eight of this Act or until terminated and compensation has been made to such grantee for its property as provided in section six of this Act.

"Sec. 6. That at any time after the expiration of said fifty years the United States may terminate the rights hereunder granted upon the giving to the grantee of one year's notice in writing of such termination, and upon the taking over by the United States of all the property of the grantee dependent in whole or in part for its usefulness upon the rights hereunder granted, which are necessary and appurtenant, or acquired and valuable or serviceable in the distribution of water, or in the generation, transmission, and distribution of power, and upon paying to the grantee the fair value of said property, together with the cost to the grantee of the lock or locks, or other aids to navigation, and all other capital expenditures, required by the United States, and assuming all contracts entered into by the grantee which have the approval of the duly constituted public authority having jurisdiction thereof, or which were entered into in good faith and at a reasonable rate, in view of all the circumstances existing at the time such contracts were made. The fair value of said property and the reasonableness and good faith of such contracts shall be determined by agreement between the Secretary of War and the grantee, and in the event of their failure to reach unanimous agreement, then by proceedings in equity instituted by the United States in

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chise or good will or profits to be earned on pending contracts or any other intangible element.

SEC. 6. That in the event the United States does not exercise its right to take over, maintain, and operate the properties as provided in section five hereof, or does not renew the lease to the original lessee upon such terms and conditions and for such periods as may be authorized under the then existing applicable laws, the Secretary of the Interior is authorized, upon the expiration of any lease under this Act, to lease the properties of the original lessee to a new lessee upon such terms, under such conditions, and for such periods as applicable laws may then authorize, and upon the further condition that the new lessee shall pay for the properties as provided in section five of this Act.

SEC. 7. That where, in the judgment of the Secretary of the Interior, the public interest requires or justifies the execution by any lessee of contracts for the sale and delivery of electrical energy for periods extending beyond the life of the lease, but for not more than twenty years thereafter, such contracts may be entered into upon the approval of the said Secretary, and thereafter, in the event of the exercise by the

H. R. 408 AS REPORTED TO SENATE.

lic lands, rights of way, franchises, or other property leased or granted under this Act by the United States or by the good will, or prospective revenues.

SEC. 6. That in the event the United States does not exercise its right to take over, maintain, and operate the properties as provided in section five hereof, or does not renew the lease to the original lessee upon such terms and conditions and for such periods as may be authorized under the then existing applicable State or Federal laws, the Secretary of the Interior is authorized, upon the expiration of any lease under this Act, to lease the properties of the original lessee to a new lessee upon such terms, under such conditions, and for such period as applicable State or Federal laws may then authorize, and upon the further condition that the new lessee shall pay for the properties as provided in section five of this Act. In the event the United States does not exercise its right to take over the properties, as provided in section five, and a renewal of the lease to the original lessee is not made, and no lease is made of the properties to a new lessee, then the lease at the option of the lessee shall continue in existence upon the terms and conditions in force at the time fixed for its expiration until such time as the property is taken over by the United States, as provided in section five, or by a new lessee, as provided in section six, or the lease is renewed: Provided, That the original lessee shall have a preference right to renewal over and above any new lessee upon such terms and conditions as the law and regulations then in force shall authorize.

SEC. 7. That where the public interest requires or justifies the execution by the lessee of contracts for the sale and delivery of electrical energy for periods extending not to exceed twenty-five years beyond the fifty-year period herein named, such contracts may be entered into upon the approval of the Public Service Commission or similar authority in the State in which the sale or delivery of power is

S. 3331 AS REPORTED TO SENATE.

the district court of the United States in the district within which any portion of such dam may be located. In the determination of the value of said property for any purpose as between such grantee and the United States or any State no value shall be claimed by or allowed to the grantee for the rights hereunder granted.

"Sec. 7. That whenever all or any part of the power produced at any dam or diversion structure authorized hereunder is offered or disposed of by the grantee to the public, or for a public-utility purpose, all charges, rates, and service by any grantee hereunder shall be subject to regulation in accordance with the laws of the State within which the service is rendered: *Provided*, That where the said power or any part of it shall

United States of the option to take over the plant in the manner provided in either section five or six hereof, the United States or its new lessee shall assume and fulfill all such contracts.

#### H. R. 408 AS REPORTED TO SENATE.

made, and upon the approval of the Secretary of the Interior of the United States; or if sold or delivered in a Territory, then upon the approval of the Secretary of the Interior; and thereafter, in the event of the termination of the lease as herein provided, the United States or any subsequent lessee shall assume and fulfill all such contracts entered into by the original lessee.

SEC. 8. That for the occupancy and use of lands and other property of the United States permitted under this Act the Secretary of the Interior is authorized to specify in the lease and to collect charges or rentals, which charges or rentals in

SEC. 8. That for the occupancy and use of lands and other property of the United States permitted under this Act, the Secretary of the Interior is authorized to specify in the lease and to collect charges or rentals for all land leased, which all cases where the power is gen- charges or rentals may in the dis-

#### S. 3331 AS REPORTED TO SENATE.

enter into interstate or foreign commerce, the rates, charges, and services made and rendered, shall be reasonable, nondiscriminatory, and adequate to the public; and jurisdiction is hereby conferred upon and vested in the Interstate Commerce Commission to enforce this provision, upon the complaint of any person aggrieved, in the manner and according to the procedure and practice of that commission in fixing and regulating the rates and charges of railway companies, the grantee to have the same rights of hearing, de-fense, and review as said companies in such cases: And provided further, That in the valuation for rate-making purposes of the property of any such grantee there shall be included the cost to such grantee of the construction of the lock or locks, or other aids to navigation, and all other capital expenditures required by the United States, but no value shall be claimed or allowed for the rights hereby granted: And provided further, That nothing in this Act shall be construed to prevent any State in which such dam with its appurtenant property is located, or in which such business is to be conducted, from making and enforcing any lawful regulations, with respect to the property or business of such grantee; and the plant and its appurtenances of the grantee, including real, personal, and mixed property, constituting the same and used for the generation and distribution of power, or for other purposes, shall be subject to taxation under the laws of the State where situated as other similar property within the State, while owned by the grantee, or any subsequent owner who may acquire the same by purchase from the grantee, or other person, or under any proceeding herein authorized and provided for; but in the assessment of the property for taxation the value of the dam or dams and other structures and appurtenances constructed or used primarily for the purpose of developing and improving navigation shall not be estimated and included.

"Sec. 8. That any grantee who shall fail or refuse to comply with any of the provisions of this Act or any of the conditions made a part of any permit issued hereunder or any regulation or lawful order of the Secretary of War, made in accordance with the provisions of this Act,

erated and developed in whole or in part upon lands belonging to the United States may be measured by the power so developed and sold or used by the lessee for any purpose other than the operation of the plant in developing power, and the proceeds shall be paid into, re-served, and appropriated as a part of the reclamation fund created by the Act of Congress approved June seventeenth, nineteen hundred and two, known as the reclamation Act, and after use thereof in the construction of reclamation works and upon return to the reclamation fund of any such moneys in the manner provided by the reclamation Act and Acts amendatory thereof and supplemental thereto, fifty per centum of the amounts so utilized in and returned to the reclamation fund shall be paid by the Secretary of the Treasury after the expiration of each fiscal year to the State within the boundaries of which the hydroelectric power or energy is generated and developed, said moneys to be used by such State or subdivisions thereof for the construction and maintenance of public roads or for the support of public schools or other public educational institutions or for the construction of public improvements, as the legislature of the

State may direct: Provided, That leases for the development of power by municipal corporations solely for municipal use shall be issued without rental charge, and that leases for development of power not in excess of twenty-five horsepower may be issued to individuals or associations for domestic, mining, or irrigation use without such charge.

H. R. 408 AS REPORTED TO SENATE.

cretion of the Secretary be measured by the power developed and sold or used by the lessee for any purpose other than the operation of the plant, and of the proceeds fifty per centum thereof shall be paid by the Secretary of the Treasury after the expiration of each fiscal year to the State within which the hydroelectric energy is generated and developed. The remaining fifty per centum shall be paid into, reserved, and appropriated as a part of the reclamation fund created by the Act of Congress approved June seventeenth, nineteen hundred and two, known as the reclamation Act:

Provided, That leases for the development of power by municipal corporations for municipal use shall be issued without rental charge and that leases for development of power not in excess of twenty-five horsepower may be issued to individuals or associations for domestic, mining, or irrigation use without charge.

#### S. 3331 AS REPORTED TO SENATE.

shall be deemed guilty of a misdemeanor, and on conviction thereof shall be punished by a fine not exceeding \$1,000, in addition to other penalties herein prescribed or provided by law and in such proceedings each party shall have the right of appeal as in other cases; and every month such grantee shall remain in default after written notice from the Secretary of War shall be deemed a new offense and subject such grantee to additional penalties therefor: and in addition to said penalties the Attorney General may, on request of the Secretary of War, institute proper proceedings in equity in the district court of the United States in the district in which such structure or any of its accessory works are, in whole or in part, situated, for the purpose of having such violation stopped by injunction, mandamus, or other process; and any such district court shall have jurisdiction over all such proceedings and shall have the power to make and enforce all writs, orders, and decrees necessary to compel the compliance with the lawful orders and regulations of the Secretary of War and the performance of any condition imposed under the provisions of this Act; and if the unlawful maintenance and operation continues after such conviction has been affirmed on appeal or the right of appeal has expired and is deemed by the court to be such as shall require, in the public interest, a decree revoking all rights and privi-leges held under authority of this Act, the court may decree such revocation, and in case of such a decree the court may wind up the business of such grantee conducted under the rights in question and may decree the sale of the dam or diversion structure and all appurtenant property constructed or acquired under authority of this Act, and distribute the proceeds to the parties entitled to the same, and may make and en-force such other and further orders and decrees as equity and justice may require; and in case of such sale the vendee shall take the rights and privileges and shall perform the duties which belonged to the grantee and shall assume all outstanding obligations and liabilities of the grantee which the court may deem equitable in the premises; and in case no purchaser be found the court shall, by the appointment of

H. R. 408 AS REPORTED TO SENATE.

S. 3331 AS REPORTED TO SENATE.

a receiver or otherwise, exercise all jurisdiction necessary for the protection and administration or disposition of the property and for the equitable execution of this Act.

SEC. 9. That in case of the development, generation, transmission, or use of power or energy under a lease given under this Act wholly within a State which has not provided a commission or other authority having power to regulate rates and service of electrical energy and the issuance of stock and bonds by public-utility corpora-tions engaged in power development, transmission, and distribution, the control of service and of charges for service to consumers and stock and bond issues shall be vested in the Secretary of the Interior or committed to such body as may be authorized by Federal statute until such time as the State shall provide a commission or other authority for such regulation and control: Provided, That the control of the Secretary of the Interior, or other Federal authority, shall cease and determine as to each specific matter of control described in this section so soon as the State shall have provided a commission or other authority for the regulation and control of that specific matter.

SEC. 10. That where the Secretary of the Interior shall determine that the value of any lands heretofore or hereafter reserved as water-power sites or for purposes in connection with water-power development or electrical transmission will not be materially injured for such purposes by either location, entry, or disposal, the same may be allowed under applicable land laws upon the express condition that all such locations, entries, or other methods of disposal shall be subject to the sole right of the United States and its authorized lessees to enter upon, occupy, and use any part or all of such lands reasonably necessary for the accomplishment of all purposes connected with the development, generation, transmission, or utilization of power or energy, and all rights acquired in such lands shall be subject to a reservation of such sole right to the United States and its lessees, which reservation shall be expressed in the patent or other evidence of title: Provided, That locations, entries, selections, or filings heretofore allowed for lands reserved as water-power sites or in connection with water-

Sec. 9. That where the Secretary of the Interior shall determine that the value of any lands, heretofore or hereafter reserved as water-power sites or for purposes in connection with water-power development or electrical transmission, will not be materially injured for such purposes by either location, entry, or disposal, the same may be allowed under applicable land and mining laws upon the express condition that all such locations, entries, or other methods of disposal shall be subject to the sole right of the United States and its authorized lessees to enter upon, occupy, and use any part or all of such lands reasonably necessary for the accomplishment of all purposes connected with the development, generation, transmission, or utilization of power or energy, and all rights acquired in such lands shall be subject to a reservation of such sole right to the United States and its lessees, which reservation shall be expressed in the patent or other evidence of title: Provided, That locations, entries, selections, or filings heretofore al-

"SEC. 9. That the grantee shall commence the construction of the dam and accessory works within two years from the date of the permit herein provided, and shall thereafter, in good faith and with due diligence, prosecute such construction, and shall, within such time as may be provided in the permit, complete and put in commercial operation such part of the ultimate development as the Secretary of War shall deem necessary to supply the reasonable needs of the then available market, and shall, from time to time thereafter, construct such portion of the balance of such ultimate development as said Secretary of War may direct and within the time specified by him so as to supply adequately the reasonable market demands until such ultimate development shall be completed; and extensions of the periods for the commencement and completion of the construction may be granted by the Secretary of War when, in his judgment, the same are not incompatible with the public interest. In case the grantee shall lowed for lands reserved as water- not commence actual construction

power development or electrical transmission may proceed to approval or patent under and subject to the limitations and conditions in this section contained, but nothing herein shall be construed to deny or abridge rights now granted by law to those seeking to use the public lands for purposes of irrigation or mining alone.

#### H. R. 408 AS REPORTED TO SENATE.

power sites or in connection with water-power development or electrical transmission may proceed to approval or patent under and subject to the limitations and conditions in this section contained, but nothing herein shall be construed to deny or abridge rights now granted by law to those seeking to use the public lands for purposes of irrigation or mining alone.

#### S. 3331 AS REPORTED TO SENATE.

within the time herein prescribed, or as extended by the Secretary of War, then the authority as to such grantee shall terminate, and in case any dam or diversion structure and accessory works be not completed within the time specified in the permit or extended as herein provided, then the Attorney General, upon the request of the Secretary of War, shall institute proper proceedings in the proper district court of the United States for the revocation of said authority, the sale of the works constructed, and such other equitable relief as the case may demand, as provided for in section eight of this Act.

"Sec. 10. The Secretary of War may lease to any applicant having the capacity of grantee as herein defined, and having complied with the laws of the State in which a dam is constructed or to be constructed by the United States, the right to utilize the surplus water power over and above that required for navigation at any navigation dam now or hereafter constructed, either with or without contribution by the applicant, and owned by the United States, and on such terms as may be deemed by the Secretary of War for the best interests of the United States, and reasonable and fair to both parties, and in awarding such lease preference shall be given to a municipal corporation, a political subdivision of a State or a public service agent of a State, or any part thereof, provided the plans of the same are deemed by the Secretary of War to be adapted to conserve and utilize in the public interest the navigation and water resources of the region; and in contests between other applicants the Secretary of War shall likewise give preference to the applicant whose plans he finds and determines are best adapted to develop, conserve, and utilize in the public interest the navigation and water resources to be affected; and all such leases and the parties thereto and the terms and conditions thereof shall be reported annually to Congress. The charges and rents arising from such lease or leases are hereby reserved and appropriated as a special fund in the Treasury to be expended for the maintenance of said dams and the further improvement of waterways in which the same may be situated under the direction of the Secretary of War.

SEC. 11. That the Secretary of the Interior is hereby authorized to examine books and accounts of lessees, and to require them to submit statements, representations, or reports, including information as to cost of water rights, lands, easements, and other property acquired, production, use, distribution, and sale of energy, all of which statements, representations, or reports so required shall be upon oath, unless otherwise specified, and in such form and upon such blanks as the Secretary of the Interior may require; and any person making any false statement, representation, or report under oath shall be subject to punishment as for perjury.

SEC. 12. That any such lease may be forfeited and canceled, by appropriate proceedings, in the United States district court for the district in which said property or some part thereof is situated whenever the lessee, after reasonable notice, in writing, as prescribed in the lease, shall fail to comply with the terms of this Act or with such conditions not inconsistent herewith as may be specifically recited in the lease.

SEC. 13. That the Secretary of the Interior is hereby authorized to perform any and all acts and to make such rules and regulations not inconsistent with this Act as may be necessary and proper for the purpose of carrying the provisions of this Act into full force and effect.

SEC. 14. That each lease under this Act shall be conditioned upon the acceptance by the lessee of all the terms and conditions of this Act and of conditions authorized by law and specified in the lease, which acceptance shall be expressed in the lease as a part of the contract entered into and that nothing in this Act shall be construed as affecting or intended to affect or to in any way interfere with the laws of any State, or Alaska, relating to the control, appropriation, use, or dis-

tribution of water.
SEC. 15. That all Acts or parts of Acts providing for the use of the lands of the United States for any of the purposes to which this Act is applicable are hereby repealed to the extent only of any conflict with this Act: Provided, That the pro-visions of the Act of February fifteenth, nineteen hundred and one (Thirty first Statutes at Large, page

#### H. R. 408 AS REPORTED TO SENATE.

Sec. 10. That the Secretary of the Interior is hereby authorized to examine books and accounts of lessees and to require them to submit statements, representations, or reports, including information as to cost of water rights, lands, easements, and other property acquired, production, use, distribution, and sale of energy, all of which statements, representations, or reports so required shall be upon oath, unless otherwise specified, and in such form and upon such blanks as the Secretary of the Interior may require; and any person making any false statement, representation, or report under oath shall be subject to punishment as for perjury.

SEC. 11. That any such lease may be forfeited and canceled, by appropriate proceedings, in a court of competent jurisdiction whenever the lessee, after reasonable notice, in writing, as prescribed in the lease, shall fail to comply with the terms of this Act or with such conditions not inconsistent herewith as may be specifically recited in the lease.

SEC. 12. That the Secretary of the Interior is hereby authorized to make such rules and regulations as may be necessary and proper for the purpose of carrying the provisions of this Act into full force and effect.

SEC. 13. That nothing in this Act shall be construed as affecting or intended to affect or to in any way interfere with the laws of any State relating to the control, appropriation, use, or distribution of water.

SEC. 14. That the provisions of this Act shall not be construed as revoking or affecting any permits or valid, existing rights of way heretofore given or granted pursuant to law, but at the option of the permittee any permit heretofore given for the development, generation. transmission, or utilization of hydro-

S. 3331 AS REPORTED TO SENATE.

"Sec. 11. That this Act shall not affect the rights of any person, company, or corporation as to the construction, maintenance, or operation of any structures heretofore constructed or upon which construction has been begun, under permit or approval of the Secretary of War and Chief of Engineers or electric power may be surren- other authority heretofore lawfully

seven hundred and ninety), shall continue in full force and effect as to lands within the Yosemite, Sequoia, and General Grant National Parks in the State of California: And provided, however, That nothing herein contained shall be held or construed to modify or repeal any of the provisions of the Act of Congress approved December nineteenth, nineteen hundred and thirteen, granting certain rights of way to the city and county of San Francisco: And provided further, That the provisions of this Act shall not be construed as revoking or affecting any permits or valid existing rights of way heretofore given or granted pursuant to law, but at the option of the permittee any permit heretofore given for the devel-opment, generation, transmission, or utilization of hydroelectric power may be surrendered and the permittee given a lease for the same premises under the provisions of this Act: And provided further, That nothing herein contained shall be held or construed as preventing the granting of rights of way for irrigation purposes under existing and applicable laws, and the granting in connection therewith of a lease under this Act for such power or energy as may be developed, generated, and transmitted as incident or subsidiary to the main purpose of irrigation.

#### H. R. 408 AS REPORTED TO SENATE.

dered and the permittee given a lease for the same premises under the provisions of this Act.

#### S. 3331 AS REPORTED TO SENATE.

granted: Provided, That in the operation of any such structures and accessory works the provisions of sections three, seven, eight, twelve, and thirteen of this Act shall apply to the same extent as if such structures had been authorized under this Act, and all conflicting provisions relating to the operation of said structures and accessory works contained in any authority heretofore lawfully granted are hereby altered, amended, or repealed so as to conform with the provisions of said sections three, seven, eight, twelve, and thirteen of this Act: Provided further, That upon application by any person, company, or corporation having the capacity of grantee as herein defined, which is now constructing or operating any structures herein specified across, in, or along any navigable waters of the United States under authority heretofore lawfully granted, the Secretary of War may issue to such applicant a permit in accordance with the provisions of this Act, and in such a case the provisions of this Act shall become extended to such applicant as a grantee hereunder: And provided further, That the pro-visions of this Act shall not apply to irrigation or power dams or grants to municipal corporations affecting the use of water or water power for municipal purposes or to other projects approved or erected under the jurisdiction of the Secretary of the Interior or the Secretary of Agriculture upon the public lands of the United States.

"Sec. 12. That the works constructed and maintained under authority of this Act shall not be owned, leased, trusteed, possessed, controlled, or operated by any device or in any manner so that they form part of or in any way effect any combination in the form of an unlawful trust or monopoly, or form the subject of any unlawful contract or conspiracy to limit the output of electric energy or in restraint of trade with foreign nations or between two or more States or Territories, or within any one State or Territory in the generation sale, or distribution of electric energy.

"Sec. 13. That the right to alter, amend, or repeal this Act is hereby expressly reserved: *Provided*, That in case any grantee hereunder shall, at the time of such alteration, amendment, or repeal, have exercised rights in accordance with this

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H R. 408 AS REPORTED TO SENATE.

S. 3331 AS REPORTED TO SENATE.

Sec. 16. That this Act shall not apply to navigation dams or structures under the jurisdiction of the Secretary of War or Chief of Engineers, or to lands purchased or acquired by condemnation by the United States, or withdrawn by the President under the Act approved June twenty-fifth, nineteen hundred and ten, entitled "An Act to authorize the President of the United States to make withdrawals of public lands in certain cases," where such lands are purchased, acquired

pose of promoting navigation.

Passed the House of Represen-

by condemnation, or withdrawn

by the President for the sole pur-

tatives January 8, 1916.

Attest: South Trimble, Clerk.

SEC. 15. That this Act shall not apply to navigation dams or structures under the jurisdiction of the Secretary of War or Chief of Engineers, or to lands purchased or acquired by condemnation by the United States, or withdrawn by the President under the Act approved June twenty-fifth, nineteen hundred and ten, entitled "An Act to authorize the President of the United States to make withdrawals of public lands in certain cases," where such lands are purchased, acquired by condemnation, or withdrawn by the President for the sole purpose of promoting navigation.

Sec. 16. That in instances where only ten per centum or less of the lands actually necessary and required for the construction, maintenance, and operation of dams, water conduits, reservoirs, power houses, transmission lines, and other works for the development, generation, transmission, and utilization of hydroelectric power in any one proposed separate, distinct, and complete plant or project are lands of the United States Government and such Government lands are to be used only for overflowage, reservoir, or transmission purposes and not in whole or in part as a dam site or the site of a power house nor for the erection of buildings or operation of machinery, the Secretary of the Interior may, in his discretion, lease such lands to an applicant for not more than fifty years, at such rental price and upon such terms as he may deem just, free from all or any other of the terms, conditions, provisions, and requirements of this Act which the Secretary of the In-

terior may see fit to waive. Sec. 17. That authority is hereby conferred upon the State of Colorado or any citizen or citizens directly interested, or both, to institute and prosecute an action at law

Act, such rights and the property used thereunder shall be deemed property rights of such grantee, of which such grantee shall not be deprived by such alteration, amendment, or repeal, except upon the conditions provided in case of termination by section six of this Act.

"Sec. 14. That all Acts and parts of Acts inconsistent with the provisions of this Act are hereby repealed."

#### H. R. 408 AS REPORTED TO SENATE.

S. 3331 AS REPORTED TO SENATE.

or in equity against the Secretary of the Interior to determine its right and the rights of its citizens to appropriate and apply to beneficial uses the waters of the Rio Grande River and its tributaries within its geographical boundaries. Such action may be instituted in the district court of the United States within the State of Colorado, and any judgment or decree therein shall be subject to review by writ of error or appeal as provided by law in other cases

law in other cases.

Sec. 18. That authority is hereby conferred upon the State of New Mexico, or any citizen or citizens directly interested, or both, to institute and prosecute an action at law or in equity against the Secretary of the Interior, to determine its right and the rights of its citizens to appropriate and apply to beneficial uses the waters of the Rio Grande River and its tributaries within its geographical boundaries. Such action may be instituted in the district court of the United States within the State of New Mexico, and any judgment or decree therein shall be subject to review by writ of error or appeal as provided by law in other cases.

provided by law in other cases. Sec. 19. That the lands leased under this Act may be used and the works constructed, maintained, and operated thereon may be used, added to, or enlarged by the lessee or any other person, association, or corporation, for the purpose of impounding and conveying water for the generation and distribution of power for irrigation, mining, municipal, domestic, and other beneficial purposes, whenever such use of the water is authorized by the State wherein said project is situated, and under the authorization of the Secretary of the Interior: Provided, That the new user shall not utilize such jointly used property to generate power, unless said lessee shall, after due notice by the Secretary of the Interior, and within a reason-able time specified by him, fail to add to or enlarge said works as herein provided: Provided, however, That if said lands and works are so used by any other than the lessee, such use must be without expense or damage to the said lessee.

Passed the House of Representatives January 8, 1916.

Attest: South Trimble, Clerk.